

Labor and Public Employees Committee
Public Testimony of the Connecticut Women's Education and Legal Fund (CWEALF)
H.B. 6380: An Act Concerning The Disclosure Of Salary Range For A Vacant Position
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February 3, 2021

The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide, nonprofit organization that advocates for and empowers women and girls in Connecticut, especially those who are underserved and marginalized. For forty-seven years, CWEALF has been a leading advocate in the development of policy solutions that advance women's economic security, combat discrimination, and increase gender equity in Connecticut.

CWEALF supports H.B. 6380: *An Act Concerning The Disclosure Of Salary Range For A Vacant Position*.

In Connecticut, women continue to earn significantly less than their male counterparts, and earn \$0.84 to every dollar paid to men. The wage gap is greater for women of color: African American women earn \$0.57, Latinas earn \$0.48 and Asian women earn \$0.83 for every dollar paid to their white, non-Hispanic male counterparts. Research shows that one year after college graduation, women earn an unexplained 7% less than their male counterparts.¹

Women and people of color have been disproportionately affected by the COVID-19 pandemic, which makes this legislation imperative for our state's economic recovery and our continuous attempt towards closing the gender wage gap. About 80% of healthcare workers, 66% of grocery store workers, and 93% of child care workers are women.² Although women are overly represented in these frontline occupations, they are losing between \$3,000 to \$5,000 per year due to the gender wage gap.³

¹ National Women's Law Center. Connecticut. Retrieved from: <https://nwl.org/state/connecticut/>

² Raghu, M. & Tucker, J. "The Wage Gap Has Made Things Worse for Women on the Front Lines of COVID-19", March, 2020. The National Women's Law Center

³ Raghu, M. & Tucker, J. "The Wage Gap Has Made Things Worse for Women on the Front Lines of COVID-19", March, 2020. The National Women's Law Center

Studies show that women often ask for less when they negotiate than men even when they are otherwise equally qualified.⁴ Research also indicates that women who negotiate their salaries are at a disadvantage due to biased perceptions of them as demanding and less desirable candidates. When women negotiate a salary for a new position and are unaware of what the potential job is worth, these factors can lead to pay disparities. Bias in negotiations also significantly impacts people of color: research shows that racially biased interviewers often believe negative stereotypes that view African American job seekers as less qualified, which leads to serious repercussions when negotiating a starting salary.⁵

Studies show that women are more successful at negotiation when they are provided salary ranges and types of compensation and benefits available to them, which reduces the gender wage gap.⁶ Both employers and employees can benefit from salary range transparency, which builds trust between employers and potential candidates, and supports employees to understand and accept their salaries and/or pay rates. House Bill No. 6380 will move Connecticut one step closer to closing the wage gap because it increases transparency and provides equal opportunity for all workers to fairly negotiate with future employers.

For many workers, salary is the most important financial decision they will make, as it directly impacts every other financial decision for themselves or their families. Connecticut already took strides in recent years to increase pay transparency. In 2015, lawmakers approved P.A. 15-196, which prohibits pay secrecy practices and retaliation against employees who discuss their salaries. In 2018, CWEALF was proud to lead a bipartisan working group that advocated for the passage of P.A. 18-8, which prohibits the use of salary history in the application process. Since employers in our state no longer rely on salary history to set current pay, H.B. 6380 provides an important tool to support employers hire and negotiate more efficiently.

House Bill No. 6380 does not prohibit employers from paying outside the disclosed pay range and does not remove the ability for the employer to negotiate. Instead, H.B. 5383 creates a building block for negotiation with a prospective employee, including but not limited to, market value, experience and benefits.

⁴ See Linda Babcock & Sara Laschever, *WOMEN DON'T ASK: NEGOTIATION AND THE GENDER DIVIDE* (2003); Jenny Save-Soderbergh, *Are Women Asking for Low Wages? Gender Differences in Wage Bargaining Strategies and Ensuring Bargaining Success*, Swedish Inst. Soc. Res. Working Paper Series 7/2007 10 (2007), available at https://ideas.repec.org/p/hhs/sofiwp/2007_007.html.

⁵ 'Bargaining While Black May Lead to Lower Salaries' (2018). Retrieved from: <https://www.apa.org/news/press/releases/2018/11/bargaining-black>

⁶ See, e.g., Hannah Riley Bowles, Linda Babcock & Kathleen L. McGinn, *Constraints and Triggers: Situational Mechanics of Gender in Negotiations*, 89 J. PERSONALITY & SOC. PSYCH. 951, 955-56 (2005)

House Bill No. 6380 mirrors legislation passed last year in Colorado and Washington. Colorado's legislation, passed with support from the business community, requires employers to include compensation ranges and description of benefits in every job announcement. They must also take all reasonable actions to inform current employees of promotion opportunities. In Washington, employers with 15 or more employees are required to provide wage or salary ranges to job applicants who request the information after they are offered the position. They must also provide salary ranges to requesting employees being offered an internal transfer. If there is no compensation range, the employer must provide the minimum compensation expectation as dictated, prior to posting the position or making a promotion or transfer.

We urge the Committee to pass H.B. 6380 to benefit workers and continue every effort in Connecticut to be a leader in pay equity.